

March 8, 1976

SENATOR DeCAMP: That is correct.

SENATOR KREMER: Does it provide that the same number of doctors have to participate?

SENATOR DeCAMP: No, I think it's any ten or more. As a practical matter we're going to be talking ... if they decide to do this, and remember this is voluntary, nobody forces them to. If they say to themselves, among their group, "Hey look, we can save money but we need a bunch of us going together" then they voluntarily could go ahead and do this. So as I say, as a practical matter I'm sure we're talking in excess of 200 doctors to make it economically feasible thing.

SENATOR KREMER: But they'd be two separate associations.

SENATOR DeCAMP: That's correct.

SENATOR KREMER: One for doctors, one for the hospitals.

SENATOR DeCAMP: That is correct.

SENATOR KREMER: Thank you.

SENATOR SIMPSON: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, members of the Legislature and Senator DeCamp. Had Senator Cavanaugh have offered this proposition alone I would have been suspicious, had Senator DeCamp offered this proposition alone I would have been suspicious, but since we have an issue of this complexity which can bring these two together my suspicions for the time being have been allayed and I'm going to support the measure as of now.

SENATOR SIMPSON: Senator Dworak.

SENATOR DWORAK: I have a question of Senator DeCamp or Senator Cavanaugh, either one. Cavanaugh. Going back to Senator Murphy's earlier inquiry, you're forming a mutual insurance company. Does this company have to abide by all the rules of other mutual insurance companies?

SENATOR CAVANAUGH: Pardon?

SENATOR DWORAK: Does this provision have to comply? If a mutual insurance company is formed, under the provisions of this bill, do they have to comply with rules that other mutual insurance companies have to follow which is set up by the Insurance Commissioner; or are there separate provisions for this mutual insurance company that are not for other mutual insurance companies? What are those provisions? How are we deviating from those provisions?

SENATOR CAVANAUGH: The provisions are the provisions of the bill. They are, as stated earlier, exempt from the property and liability guarantee association. They have a separate surplus fund of \$500,000. I am not intimately familiar with all the requirements pertaining to other mutual insurance companies in the State of Nebraska. This sets up a separate classification with separate criteria.